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COUNTRY DEVELOPMENT COOPERATION STRATEGY (CDCS)

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APPROVED FOR PUBLIC RELEASE

TABLES AND FIGURES

TABLES AND FIGURES	I
ABBREVIATIONS AND ACRONYMS	2
CDCS AMENDMENT PREFACE	3
COUNTRY CONTEXT	3
STRATEGIC APPROACH	6
Integration	7
Inclusive Development	7
Localization	8
Climate Change	8
Macro-economic Stability	8
RESULTS FRAMEWORK	10
Goal Statement:	10
DO 1: Democracy Strengthened for an Inclusive Society	11
IR 1.1: Fundamental Freedoms and Rights Improved	11
IR 1.2: Political Processes Strengthened	11
IR 1.3: Responsive Governance Improved	12
DO 2: Sustainable Economic Growth Fostered	13
IR 2.1: Food Security and Systems Improved	15
IR 2.2: Business Enabling Environment Improved	15
IR 2.3: Natural Ecosystem Management Improved	16
DO 3: Human Capital Development Advanced	16
IR 3.1: Inclusive Health and Education Systems Strengthened	18
IR 3.2: Utilization of Quality Essential Health Services Expanded	18
IR 3.3: Access to Quality Education Services Expanded	18
DO 4: Strengthened Resilience to Climate Change and Other Shocks	19
IR 4.1: Actions to Confront the Climate Change Crisis Catalyzed	21
IR 4.2: Disaster Risk Management Strengthened	21
IR 4.3: Opportunities for Rohingya and Host Community Enhanced	22
MONITORING, EVALUATION AND LEARNING PROGRAM	23
BUDGET RESOURCES AND PRIORITIES MANAGEMENT	25
RESOURCES AND STRUCTURE USAID/BANGLADESH	25
CDCS RESULTS FRAMEWORK GRAPH	26

ABBREVIATIONS AND ACRONYMS

BHA	Bureau for Humanitarian Assistance
CDCS	Country Development Cooperation Strategy
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organization
DO	Development Objective
DoS	Department of State
DRG	Democracy, Human Rights, and Governance
EG	Economic Growth
FDI	Foreign Direct Investment
FFP	Food for Peace
FTF	Feed the Future
FY	Fiscal Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
GHP	Global Health Programs
GoB	Government of Bangladesh
ICS	Integrated Country Strategy
IR	Intermediate Result
JSP	Joint Strategic Plan
LCG	Local Consultative Group
LDC	Least Developed Country
LMIC	Lower-Middle Income Country
MEL	Monitoring, Evaluation, and Learning
NGO	Nongovernmental Organization
NPI	New Partnerships Initiative
NRM	Natural Resource Management
NSS	National Security Strategy
PMP	Performance Management Plan
PSE	Private Sector Engagement
RF	Results Framework
RMG	Ready-Made Garments
TIP	Trafficking-in-Persons
UMIC	Upper-Middle Income Country
U.S.	United States
USAID	United States Agency for International Development
USD	United States Dollars
USG	U.S. Government

CDCS AMENDMENT PREFACE

As required in ADS 201, USAID/Bangladesh conducted an extensive CDCS mid-course stocktaking review in March-November 2022 to measure progress, review risks and assumptions, and discuss strategic-level challenges. It was also a chance to incorporate new administration priorities and strategically frame opportunities identified under Mission leadership. The document that follows reflects updates to this CDCS, notably:

- Revising the goal statement from “Bangladesh is more committed to democratic principles and inclusive growth with an increasing capacity to economically diversify, address inequality, and become a resilient Indo-Pacific partner” to “Bangladesh is a more Inclusive, Democratic, Prosperous, and Resilient Indo-Pacific Partner.”
- Refining DO 1 from “Improved Democratic Systems that Promote Transparency, Accountability, and Integrity” to “Democracy Strengthened for an Inclusive Society.”
- Splitting the original development objective (DO) 2 of “Enhanced Opportunities for an Inclusive, Healthy, Educated Society, and a Robust Economy” into two separate DOs. As a result, the amended CDCS has four DOs:
 - DO 1: Democracy Strengthened for an Inclusive Society
 - DO 2: Sustainable Economic Growth Fostered
 - DO 3: Human Capital Development Advanced
 - DO 4: Strengthened Resilience to Climate Change and Other Shocks
- Including focus areas that are not prominent in the original CDCS, e.g., interventions on climate change, market development and resilience, and sustainable access to finance throughout each DO statement.
- Revising IR statements to better communicate results and improve logical flow.

COUNTRY CONTEXT

Bangladesh is a strategically important country in South Asia and the Indo-Pacific region due to its geographic location connecting South and Southeast Asia, substantive security and development ties with the United States (U.S.), and decades of consistent economic growth (EG).

Bangladesh is one of the world’s most densely populated countries with major challenges in poverty, governance, inclusive development, and institutional and civil society capacity. Over twenty million Bangladeshis live on less than five U.S. dollars (USD) per day. Bangladesh is also home to one of the largest and fastest-growing youth populations, with nearly 30 percent of its population of 165 million between the ages of 15 and 29. Bangladesh hosts one-fifth of the world’s refugee population, primarily consisting of the displaced Rohingya population, and has the largest refugee camp in the world. Rapid urbanization coupled with a rapidly growing economy have put unsustainable pressures on infrastructure, basic services, natural resources, and the environment.

Despite these challenges, Bangladesh is now a Lower Middle-Income Country (LMIC) and is expected to formally graduate from Least Developed Country (LDC) status in 2026. This Country Development Cooperation Strategy (CDCS) reflects the Mission’s approach to working with a more mature Government of Bangladesh (GoB). GoB’s 8th Five Year Plan (8FYP) (2021-2025) aligns with the LDC graduation and the Vision 2041, which aims to eliminate extreme poverty by FY 2031 as part of its roadmap to become an Upper Middle-Income Country (UMIC). The Results Framework (RF) of the 8th Five Year Plan includes national priorities and outcome statements that emphasize accelerated and

inclusive growth, poverty eradication, good governance, and GoB's alignment with other global development goals.

Despite GoB's stated adherence to democratic principles, 14 years of one-party rule has led to the consolidation and centralization of power and reduced civic space for the opposition, NGOs, and the media to provide an outlet for citizen concerns and a channel for constructive public engagement in social, economic and political life. The GoB is highly centralized with weak governance structures that foster pervasive corruption, inefficient national institutions, and ineffective resource management. The situation has worsened with the passage of laws such as the Foreign Donations Regulation Act and the Digital Security Act, which significantly increased GoB control over the work of nongovernmental organizations (NGOs) and civil society organizations (CSOs), compromising their freedom of expression. The 2013 Rana Plaza factory collapse galvanized worldwide attention to longstanding inadequacies in safeguards and labor rights in Bangladesh's ready-made garment (RMG) sector. The progress made in the past decade on ensuring labor rights and freedom of union are also impacted by the shrinking civic space.

Bangladesh is a low-lying riverine country in the Ganges-Brahmaputra-Meghna Delta, which is Asia's largest and the world's most populated delta with 580 kilometers of coastline on the Bay of Bengal. Home to a wide range of marine biodiversity and ecosystems, the marine and coastal resources in Bangladesh serve important socio-ecological functions, provide coastal protection, and are critical assets for food, energy, tourism, and economic development. One-fifth of the country's population relies on the bay area's marine and coastal resources as their primary source of economic activity, including fishing, salt cultivation, shrimp production, aquaculture, oil, and gas production.

Bangladesh is one of the world's most climate-vulnerable countries, due to its geographical and topographical features, as well as its over-exploited natural resources. According to the 2021 Global Climate Risk Index, Bangladesh lost 572 lives per year on average, and witnessed 185 extreme weather events from 2000-2019 due to climate change.¹ Tropical cyclones, soil and water salinity, coastal flooding, sea level rise, heavy rain and associated flash floods, and extreme heat are some of the key climate change impacts that the country faces. Further, climate-induced internal migration, primarily from vulnerable and poverty-stricken rural areas to urban areas, is aggravating the unplanned urbanization process.² The monsoon floods of July 2020, which brought prolonged inundation, were the worst in a decade. Further, due to poor infrastructure and disaster response capacity, Bangladesh is vulnerable to frequent fires, earthquakes, and other human induced disasters.

Bangladesh suffered a substantial blow both to human health and the economy as a result of the COVID-19 pandemic. Fortunately, despite the high level of known infections, deaths were modest in comparison to many parts of the world, including neighboring India. During the height of the pandemic, losses on the economic front were unprecedented. GDP growth slowed considerably, export earnings sharply decreased, private and public investment rates and government fiscal revenues plummeted. The value of the Bangladeshi taka decreased to its lowest in a decade, putting pressure on the country's current account deficit. Additionally, COVID led to a significant reduction in export earnings and remittances making it difficult to finance imports and service their external debt. USAID activities in this strategy support the GoB's efforts to rebound to reach its development goals.

¹ Germanwatch Global Climate Risk Index. 2021.

² Bangladesh Planning Commission. Environment, Forestry and Biodiversity Conservation: Background Paper for Seventh Five Year Plan (2016-2020). 2016.

Russia's war in Ukraine has also impacted Bangladesh's economy, food security, and poverty levels, while at the same time revealing some of the underlying vulnerabilities in the country's fiscal and financial systems. Since the war in Ukraine began, foreign reserves have dropped, the taka has depreciated by close to 25 percent, and the trade deficit has grown by 8 percent as of November 2022. Inflation has also been increasing, especially on food, fertilizer, and fuel, such that in August 2022 the price of fuel increased by over 40 percent. In response, the GoB has implemented a number of measures aimed at preserving food security and retaining fiscal space, including dramatically increasing the subsidy on fertilizers and restructuring its fuel subsidy. With rising non-performing loans and poor financial sector governance, banks have been poorly positioned to help the country weather the crisis. Overall, the fallout from the Russia-Ukraine war has underscored the need to reform Bangladesh's weak tax collection system, costly subsidies, and financial sector governance.

Despite improvements in alleviating poverty over the past three decades, major challenges impede human capital and workforce development.³ Bangladesh's maternal and newborn mortality rates are still high,⁴ and its adolescent fertility rate is the second highest in Asia. The country has a high-burden of tuberculosis (TB), including drug resistant TB. While nutritional indicators have improved, one-third of children remain stunted. Due to the density of both human and domestic animal populations, Bangladesh faces high risk of zoonotic disease outbreaks jumping to human populations. While there have been improvements in educational gender parity, much more needs to improve, such as the quality and delivery of services that affect learning outcomes and equitable access to education for all children, including those with disabilities. The distribution of equitable social and economic development gains still remains a challenge especially to women. Bangladesh is among the few countries that saw a decline in income inequality over the last decade. But it continues to have a high rate of gender-based violence (GBV) and the highest rate of child marriage in Asia (52% of girls marry before the age of 18) due to social, cultural, and religious norms. A sharp increase in GBV in rural and urban areas during the pandemic has exacerbated social and economic vulnerabilities of women, girls, and diverse gender groups.⁵ Bangladesh is a source, destination, and transit country for forced labor and Trafficking-in-Persons (TIP).⁶ Widespread poverty, unemployment, corruption, poor governance, porous borders, and traditional gender inequities exacerbate the prevalence of TIP. The high rates of child marriage contribute to the prevalence of TIP. Human trafficking and child marriage also occur at high rates within the Rohingya refugee population. Bangladesh has a significant youth workforce, with nearly two-thirds of its population under the age of 30.

³ World Bank Group. Bangladesh: More and Better Jobs to Accelerate Shared Growth and End Extreme Poverty: A Systematic Country Diagnostic. October 2015.

⁴ In the last three decades, Bangladesh has reduced mortality of children under five from 146 to 45 deaths per 1000 births. During the same period, the total fertility rate decreased from 4.3 to 2.3 births per woman. Bangladesh has also made progress on nutrition over the past 10 years, with childhood stunting decreasing from 51 percent in 2004 to 31 percent in 2018. The median age of marriage has increased from 14.4 years in 1993 to 16.3 in 2017. Bangladesh has significantly reduced maternal mortality from 322 per 100,000 live births in 2001 to 196 in 2016. National Institute of Population Research and Training, International Centre for Diarrheal Disease Research, Bangladesh MEASURE Evaluation. Bangladesh Maternal Mortality and Morbidity Survey 2016. 2017.

⁵ The GBV survey done by Manusher Jonno Foundation in 27 districts interviewing 17,203 women shows some 4,249 women faced different forms of domestic violence in April 2020 during the nationwide shutdown induced by COVID-19. The Daily Star. 4,249 women faced domestic violence in April, 1,672 for the first time: MJF. 2020.

⁶ Significant improvements in TIP prosecution, protection, and prevention are needed. Law enforcement decreased investigations into trafficking cases, continued to deny credible reports of official complicity in trafficking, and, despite hundreds of credible reports of forced labor and sex trafficking of Rohingya, did not open investigations to verify these reports.

More than 700,000 Rohingya fled violence in Burma in 2017, bringing the total Rohingya refugee population in Bangladesh in March 2023 to over 960,000, the majority of whom are women and children residing in refugee settlements and host communities.⁷ The refugees' presence has had significant socioeconomic and environmental effects on surrounding host communities, especially in the *upazilas* (sub-districts) of Ukhiya and Teknaf, where refugees constitute about one-third of the total population.⁸ Other *upazilas* in Cox's Bazar and Bandarban districts have also seen pressures on labor markets, availability of goods, access to quality health and education services, and environmental quality. The per capita forest area in Bangladesh is one of the lowest in the world (0.015 hectares) against the world average of 0.60 hectares. With accelerating economic development and a growing population, economic growth in Bangladesh often comes at a high cost in terms of natural resource exploitation and degradation. Rapid urbanization has also contributed to deforestation and forest degradation. For instance, Chittagong and the Chittagong Hill Tracts lost 6,830 hectares of primary forest between 2002 to 2021, which is a 9.4 percent decrease in its total forest area. Increased demand for public services has overburdened local government institutions, inhibiting the availability of public services, particularly healthcare and education. Since December 2020, the GoB has moved nearly 30,000 Rohingya refugees to Bhasan Char, a remote silt island in the Bay of Bengal. Funding shortfalls and "pipeline breaks" leading to ration cuts (rations now stand at \$8 per person/month, well below the minimum calorie level needed to prevent widespread malnutrition) are becoming more frequent and severe. Donor resources are increasingly constrained as conflicts, famine and disasters strike elsewhere. The GoB, meanwhile, has steadfastly refused to allow the Rohingya livelihood opportunities that would enable donors to reduce beneficiary rolls and control costs. Similarly, GoB resists calls to allow donors to use more sustainable shelter materials and to consider development solutions including multi-year programming and funding that would help to alleviate humanitarian assistance funding pressures. The GoB's consistent message is that the Rohingya must return to Myanmar, despite the donor community's assessment that as of 2023 that conditions in Myanmar are not conducive to their safe and dignified return.

Given Bangladesh's geostrategic location, USAID seeks to strengthen its capacity as an Indo-Pacific partner and dilute growing People's Republic of China (PRC) influence. PRC recently became Bangladesh's largest trading partner and fastest growing source of foreign direct investment (FDI). PRC has purchased 25 percent of the Dhaka Stock Exchange and, under the Belt and Road Initiative, pledged to loan \$26 billion United States dollars (USD) to Bangladesh for infrastructure and other projects. PRC exploits Bangladesh's underdeveloped and weak governance to extract contract terms unfavorable to the GoB and people of Bangladesh and manipulates corrupt political leaders, career GoB officials, and political processes to curry favor and facilitate its economic agenda. The short-term impact is greater policy influence; the long-term impact will greatly diminish GoB authority over economic and policy options once payment to Beijing comes due.

STRATEGIC APPROACH

Bangladesh experienced impressive economic growth and poverty reduction in the past decade, became a Lower-Middle Income Country (LMIC) in July 2015, and is expected to graduate from LDC status in 2026 and achieve UMIC status in 2031.⁹ Nevertheless, numerous challenges for inclusive growth remain, including corruption, poor infrastructure, limited access to finance, unequal female labor participation, gender based violence, regional disparities, frequent natural disasters, growing climate change impacts,

⁷ UNHCR. Joint Government of Bangladesh - UNHCR Population Factsheet. March 2023.

⁸ International Organization for Migration. Rohingya Humanitarian Crisis. 2018.

⁹ World Bank Group. The World Bank in Bangladesh.

<https://www.worldbank.org/en/country/bangladesh/overview#l>

and the multifaceted impacts of the COVID-19 pandemic. In order to achieve sustainable and inclusive growth, the country must improve its business-enabling environment, increase human capital, and diversify exports.

To address these challenges and boost economic growth, the Mission will emphasize nonagricultural private sector-led development, specifically in areas of healthcare, energy, and microfinance. Agriculture remains the country's biggest economic driver, accounting for over 40 percent of Bangladeshi jobs (about half of which employ women), and 12.7 percent of Gross Domestic Product (GDP). USAID is working to address economic constraints through increasing investments in digital agriculture, strengthening agricultural value chains, and creating greater opportunities for women agro-entrepreneurs. USAID also intends to collaborate and engage closely with higher secondary education institutions to build human capital to meet private sector workforce needs. USAID is designing activities that will promote inclusive education by enhancing access to quality education, especially for children in marginalized communities, in line with the GoB's education development program. Climate resilience, particularly targeted action in adaptation and mitigation, is a priority of this CDCS, and is reflected in the designs of the Mission's activities. The CDCS takes a strategic approach to addressing some of these shocks by designing activities to build resilience.

The Mission identified and applied five Strategic Principles to decide which priorities to include in the CDCS:

- An integrated approach to reaching development results
- An inclusive development lens focusing on greater access and equity for marginalized populations, especially women, youth, Rohingya refugees, host communities, LGBTQI+ and rural and/or impoverished communities;
- Working with new and local partners to increase our reach and drive sustainable, community-driven development;
- An adaptation and mitigation multi-sectoral approach to tackle climate change impacts;
- and finally a focus on macro-economic stability to ensure we are creating an enabling environment through our work with different donors, private sector partners and neighboring countries for sustainable development impacts.

Integration

Integrated development addresses the complex and multi-dimensional nature of development challenges, emphasizing the need to approach them from multiple angles. Integration is the interconnectedness of technical sectors across the program cycle to achieve and sustain a common goal. The CDCS employs an inclusive and integrated approach with mutually reinforcing development objectives (DOs) that reflect the interdependence of development sectors. This approach leverages technical expertise from across the Mission so that all offices work in unison to advance sustainable development outcomes, strengthen governance, create social and economic opportunities, and promote resilience. The Mission employs the "4 Cs" integration approach with different levels of cooperation among stakeholders throughout the program cycle: co-funding, collaboration, co-location, and coordination. Through the strategic and deliberate integration of DOs and activities, the Mission achieves greater impact and sustainable results.

Inclusive Development

Bangladesh's development gains have been asymmetrical, with youth, women, the host communities of Rohingya refugees and other marginalized groups left out of the benefits experienced by other groups and communities. Therefore, USAID promotes a nondiscriminatory, inclusive, and integrated approach to help ensure that all people can actively participate in and benefit from development processes and activities in Bangladesh.

This approach addresses several trends in Bangladesh: widely held prejudicial and exclusionary attitudes toward ethnic, religious, and gender minorities and people with disabilities; individuals' lack of knowledge and awareness of their rights; growing fundamentalism; and an increase in conservative movements and policies. Constitutional protections are not sufficiently enforced and sometimes negatively impacted by other acts and provisions. USAID intends to mitigate this trend by empowering targeted marginalized and vulnerable populations. The higher levels of poverty among ethnic and religious minorities, *dalit* Hindus (lowest social group in the caste system), *hijras* (third-gender people), and people with disabilities exacerbate these trends, negatively affecting these groups' living standards, health, education, and political, economic, and civic participation. USAID is also committed to disability-inclusive development and continues to support marginalized groups across its portfolio. For example, USAID will support youth and faith leaders to disseminate tolerance values among religious and ethnic minorities experiencing tension and inequality in their communities.

Localization

Today's global development and humanitarian challenges are vast, demanding, and complex. They are also inherently local, shaped by the history and factors specific to each context. USAID's responses to these challenges build on the priorities, knowledge, and aspirations of the people who live them every day and know them best. USAID is reinforcing its commitment to shift more ownership of priority setting, project design, implementation, and measuring results to local people and institutions with the capabilities and credibility to drive change in their own countries and communities. USAID activities contribute to building leadership, investing in innovative processes, and adopting acquisition and assistance reforms to elevate local leadership and strengthen local systems. USAID partners with local organizations, provides project-based assistance to governments, and advocates to shift power from foreign intermediaries to local implementers. Of importance to note, the Mission dedicated 18 percent of its FY 2022 funds for awards to local organizations to build their capacity and increase the Mission's local partner base. Future out-years of funding will reflect an increased push for localization.

Climate Change

Bangladesh is one of the world's most climate vulnerable countries. Bangladesh's climate vulnerability remains high due to its geographical and topographical features, and additionally, the natural resource base, including forests and wetlands on which half the population depends, has been over-exploited and degraded, further exacerbating the situation.¹⁰ Climate resilience that includes targeted direct action in adaptation and mitigation, as well as transformational systematic shifts to resilient pathways, is a priority in this CDCS and is reflected in the designs of its activities. The Mission uses a multi-sectoral adaptation and mitigation approach across all DOs, but especially through DO 2 and 4. Agriculture, water, natural resources management, forestry, biodiversity, disaster risk reduction, and renewable energy initiatives are complemented by activities focusing on environmental and climate related health support. The Mission also aims to build youth capacity and encourage climate-resilient livelihoods. The Mission's climate programming also contributes directly and indirectly to first and second Special Objectives of the USAID Climate Strategy.

Macro-economic Stability

Macro-economic stability is a crucial strategic approach for USAID's work in Bangladesh, as it creates an enabling environment for sustainable economic growth and poverty reduction. USAID's efforts to promote macro-economic stability in Bangladesh are closely tied to its engagement with the private sector and coordination with other donors, including those mentioned in the Indo Pacific Strategy (IPS).

¹⁰ Bangladesh Planning Commission. Environment, Forestry and Biodiversity Conservation: Background Paper for Seventh Five Year Plan (2016-2020). 2016.

USAID Bangladesh's contributions to the IPS intensifies US engagement in the Indo-Pacific region through all five pillars of the strategy. The CDCS therefore is closely aligned with seven out of eight program focus areas of the IPS. USAID supports the IPS DRG principles by buttressing rule of law, good governance, political processes, civil society, and human rights to create greater demand for government accountability, transparency, and responsiveness. USAID aims to do this while protecting civic and political space and countering corruption and authoritarianism. USAID also supports the IPS by expanding inclusive economic growth and increasing fair and reciprocal trade and investment with free market economies. USAID's clean energy and natural ecosystem management programs contribute to Natural Resources Security and Safeguards and Clean EDGE Asia Program Focus Areas of the IPS. As of 2022, USAID's health and education activities also contribute to the newest program focus areas of IPS workforce development, primary education, and health systems strengthening.

USAID also recognizes the importance of private sector engagement in promoting macro-economic stability. Through its PSE plan, the Mission actively leverages resources from Bangladesh's private sector, as well as academic and research institutions, to generate sustainable solutions for the country's development needs. Most often, PSE involves private sector investment in equipment and technology to increase labor productivity and improve standards of living. The Mission's PSE approach is to invest in advancing systematic diversification towards alternative productive, value-added, and export-oriented sectors that address unemployment and catalyze inclusive and transformational growth. The Mission is also exploring opportunities for regional collaboration to promote public-private partnerships in sectors including agriculture/food security, energy, climate change and health.

Bangladesh was facing economic instability due in part to the Rohingya crisis, but in May 2020, the IMF approved a USD \$732 million loan to help the country address the economic impact of the pandemic and further GoB's mitigation efforts. While the loan provided critical financial support to help Bangladesh weather the economic challenges and continue its development effort, this recovery was disrupted by impacts from the war in Ukraine. Rising global commodity prices, supply chain disruptions, and slow external demand resulted in rapid decline of foreign exchange and depreciation of the Bangladeshi Taka. USAID's strategy will emphasize support to GoB in meeting IMF loan conditions.

USAID plays a leadership role in Bangladesh's donor community. USAID has joint programs with like-minded donors, such as the United Kingdom, on high-profile democracy, human rights, and governance issues. USAID is a member of the UN-led Local Consultative Group (LCG) and its Executive Committee. The LCG is the GoB-endorsed structure for GoB-donor coordination, and has 18 sectoral subgroups with active USAID participation. As of 2023, USAID co-leads the gender and health working groups. Furthermore, USAID invests primarily in areas with relatively less donor assistance (e.g. governance, agriculture, and health). USAID assistance fills key development gaps; for example, USAID's basic education assistance for marginalized and disadvantaged populations was an area unmet by other donors. USAID is also the largest donor to the Rohingya crisis and coordinates closely with the interagency, international organizations, and like-minded donors on the Rohingya crisis response.

USAID collaborates and coordinates with different interagency actors such as the Department of State, Department of Energy, Department of Justice, U.S. Forest Service, Department of Agriculture, Centers for Disease Control, and Department of Defense. This collaboration and coordination complements and enforces USAID development impacts outlined in this strategy.

The Mission will work with the international community and GoB to revitalize the sector-specific subgroups under the LCG as a means to enhance communication, foster improved coordination, and leverage resources. The Mission expects impactful coordination with other donors to achieve shared development goals.

RESULTS FRAMEWORK

Goal Statement: Bangladesh is a More Inclusive, Democratic, Prosperous, and Resilient Indo-Pacific Partner

Democracy Strengthened for an Inclusive Society	Sustainable Economic Growth Fostered	Human Capital Development Advanced	Strengthened Resilience to Climate Change and Other Shocks
IR 1.1 Fundamental Freedoms and Rights Improved IR 1.2 Political Processes Strengthened IR 1.3 Responsive Governance Improved	IR 2.1 Food Security and Systems Improved IR 2.2 Business Enabling Environment Improved IR 2.3 Natural Ecosystems Improved	IR 3.1 Inclusive Health and Education Systems Strengthened IR 3.2 Utilization of Quality Essential Health Services Expanded IR 3.3 Access to Quality Essential Education Services	IR 4.1 Actions to Confront the Climate Change Crisis Catalyzed IR 4.2 Disaster Risk Management Strengthened IR 4.3 Opportunities for Rohingya and Host Community Enhanced

Goal Statement:

Bangladesh is a more Inclusive, Democratic, Prosperous, and Resilient Indo-Pacific Partner.

Development Hypothesis:

If democracy is strengthened for an inclusive society (*through DO 1*); and if improved sustainable economic growth and human capital development enhance prosperity in people's lives (*through DO 2 and DO3*); and if Bangladesh's resilience to climate change and other shocks is strengthened (*through DO 4*), then Bangladesh will be a more inclusive, democratic, prosperous, and resilient Indo-Pacific partner.

At the highest level, the Mission will focus its effort to strengthen inclusivity, democracy, prosperity, and resilience.

Specifically, Mission priorities include:

- Improving democracy, freedoms and rights of the people, and strengthening government to be more responsive and accountable to its citizens.
- Improving the business enabling environment, and food security and market systems through strengthened agricultural approaches, access to economic opportunities and finance, private sector capacity building, public and private partnerships, and natural resources management (NRM).
- Supporting health and education systems to deliver high-quality equitable services.
- Building resilience among the people and institutions of Bangladesh to mitigate, adapt to, and recover from shocks.

Table 1: Goal Assumptions and Risks

Assumptions	Risks
<ul style="list-style-type: none"> • GoB's aspiration to become a UMIC will serve as a driver for improved government effectiveness. • USAID maintains strong relationships with government ministries and other entities to advance USAID objectives in key regions. • The international community and GoB continue to support Rohingya and host communities. 	<ul style="list-style-type: none"> • Political rule and/or regime change weakens GoB commitment to USAID programming. • Bangladesh's graduation from LDC status will diminish donor funding and require more strategic and coordinated effort to maximize USAID impacts. • Natural disasters exceed the country's capacity to respond.

DO 1: Democracy Strengthened for an Inclusive Society

In the last decade, civic space has gradually diminished due to GoB policies and practices restricting freedom of association and speech. The consolidation of power in one party has affected the ability of civil society and opposition parties to engage with the GoB and advocate for needed reforms. The situation has worsened with the passage of laws such as the Foreign Donations Regulation Act and Digital Security Act (DSA), which significantly increased GoB control over the work of nongovernmental organizations (NGOs). Limited capacity, weak governance, and lack of oversight of public institutions have reduced people's access to public services. The country's justice sector is backlogged with civil and criminal cases with limited use of alternative dispute resolution options, despite supportive regulatory provisions being in place.

Bangladesh has made some progress in gender parity over the past decade. Bangladesh has advanced regulations for protecting women's rights and privileges, and, due to more women receiving education, progress continues in expanding women's participation in the labor force. However, there is still much work to be done. For example, women who attempt to enter the labor force face high levels of gender-based violence, discrimination, harassment, and gender bias. A 2020 UNICEF report found that Bangladesh is home to 42 million child brides, of which 21 million were married before age 15. While rates have steadily declined, child marriage prevalence consistently ranks among the top 10 countries with the greatest burden of child marriage in the world. Bangladesh ranks tier 2 in the State Department's 2021 TIP Report as Bangladeshis fall victim to trafficking tactics year after year, including forced labor and sexual exploitation for men, women and children. In addition, tolerance towards gender and sexually diverse populations in Bangladesh, including lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) communities, is limited and generally extends only to the *Hijra*

community. In 2013, the GoB officially recognized Hijras as a third gender, enabling the *Hijra* community to self-identify on national documents.

DO 1 captures the Mission’s full range of democracy, human rights, and governance objectives. The Mission supports efforts to improve human rights conditions, strengthen the civil and criminal justice system, CSOs, and emphasize the inclusivity of marginalized groups. USAID aims to pursue opportunities to support democratic and good governance principles through the portfolio. In particular, USAID will build on Bangladesh’s commitment to inclusive development, responsive governance, fundamental freedoms, and improved political processes in DO 1.

DO1: Democracy Strengthened for an Inclusive Society		
IR 1.1 Fundamental Freedoms and Rights Improved	IR 1.2: Political Processes Strengthened	IR 1.3: Responsive Governance Improved
Sub-IRs Sub-IR 1.1.1: Human rights protection systems particularly for marginalized groups strengthened Sub-IR 1.1.2: Social cohesion improved Sub-IR 1.1.3: Labor rights and freedom of association advanced Sub-IR 1.1.4: Access to equitable opportunities enhanced	Sub-IRs Sub-IR 1.2.1: Political party development toward democratic practices enhanced Sub-IR 1.2.2: Free and fair electoral processes advanced Sub-IR 1.2.3: Enabling environment for civil society improved	Sub-IRs Sub-IR 1.3.1: Institutional accountability enhanced Sub-IR 1.3.2: Civic advocacy and public engagement bolstered Sub-IR 1.3.3: Institutional capacity of justice sectors enhances

DO 1 Development Hypothesis:

If the GoB has improved transparency and capacity to respond to public needs effectively and the public is empowered and capable of holding the GoB accountable, then governance will be strengthened for a more inclusive society.

IR 1.1: Fundamental Freedoms and Rights Improved

Under IR 1.1, USAID will contribute to upholding Bangladesh’s citizens’ fundamental rights and freedoms, particularly for marginalized groups. USAID works to enhance the GoB’s capacity to provide better protection services against GBV, human trafficking, and expand rehabilitation services for the victims. The USAID DRG portfolio places a special emphasis on improving social cohesion in response to growing tension in the host community of the Rohingya crisis, involving local government and community-level organizations. Furthermore, the Mission is committed to promoting labor rights and conditions to meet international standards, including freedom of association and workplace safety. USAID activities aim to create equitable spaces and opportunities for gender-diverse and underrepresented groups.

IR 1.2: Political Processes Strengthened

Following the country’s 2018 elections and consolidation of power in one political party, Bangladesh’s political processes require improvement and protection. USAID, therefore, works with political parties, citizens, and CSOs to reinforce their understanding of and commitment to democratic principles; meaningful participation of women, youth, and minorities in political processes; free and fair elections; and political pluralism. USAID backs improved knowledge and skills to advance good governance

practices and promotes multi-party dialogue on local, regional, and national priorities. This IR also furthers the inclusion of marginalized groups, religious and ethnic minorities, and other vulnerable populations to ensure more equitable representation in political processes.

IR 1.3: Responsive Governance Improved

USAID focuses on both the supply and demand sides to strengthen responsive governance in Bangladesh. On the supply side, USAID collaborates with state and non-state actors to strengthen government institutions at the national and local levels to help them improve the delivery of public services. USAID also partners with the GoB to improve legal aid delivery, strengthen judiciary case-management capacity, and enhance gender equity in access to justice. On the demand side, USAID supports civil society's advocacy for government transparency and accountability, as well as freedom of speech, freedom of assembly, and media independence. These efforts contribute to a transparent, accountable, responsive governance system that monitors and reports corrupt practices and increases the country's capacity for responsive governance. USAID also partners with the GoB to improve legal aid delivery, strengthen judiciary case-management capacity, and enhance gender equity. These efforts aim to increase public access to government information and encourage greater commitment to good governance across different sectors of society.

Table 3. Development Objective / Assumptions and Risks

Assumptions	Risks
<ul style="list-style-type: none"> • USAID's ability to build partnerships among government, civil society, and the private sector will facilitate support for good governance. • Positive public perceptions of the U.S. help build support for USAID initiatives. • GoB continues to foster freedoms and rights of all citizens through strengthened rule of law, transparent justice systems, and democratic electoral and political practices. • In the wake of democratic decline and consolidation of power in one party, the Mission continues to monitor strategic relationships with stakeholders, and may need to adjust programs accordingly. 	<ul style="list-style-type: none"> • Democratic norms are not/only partially respected and/or the anticipated 2024 elections are judged less than free and fair by international standards, leading to a worsened overall political climate and further reduced civic space. • Poor coordination and implementation of the GoB reform agenda inhibits good governance progress. • Increasing restrictive environments further shrink civic space and disrupt program operations. • The GoB does not address human trafficking and slips to Tier 2 Watchlist and ultimately Tier 3 of the TIP report.

DO 2: Sustainable Economic Growth Fostered

Bangladesh's export economy drives economic growth through job creation and poverty reduction. Wages earned in export-oriented economic sectors tend to be higher than those in domestic-focused sectors. As the world's second largest exporter of RMGs, Bangladesh has enjoyed remarkable economic growth and employs over four million people in the RMG industry. The exports of agricultural and agro-processed goods also continue to grow, especially for commodities such as jute and jute products, leather footwear and other leather products, tea, fruit, fresh and frozen vegetables, and frozen fish and shrimp. These agricultural and agro-processed goods help diversify the country's exports, away from overdependence on RMG. As per the latest labor force survey, the agriculture sector continues to be the chief source of employment, employing around 45 percent of the country's labor force.

Agriculture contributed about 11.5 percent to the country's GDP in 2022. The RMG industry has created many jobs for youth, but USAID's work aims to enable private sector growth to help create jobs for youth in other fields such as information technology, pharmaceuticals and agribusiness.

Bangladesh's banking sector is considered one of the least robust and stable in South Asia. In addition to traditional banking, Bangladesh has also seen the emergence of a number of new start-ups in recent years, particularly in the technology sector, supported by a growing ecosystem of venture capitalists and angel investors. USAID seeks partnerships to promote innovation and entrepreneurship, and supports efforts for the GoB to institute policy reform. One area of particular growth has been the telecommunications sector, with a number of companies competing to provide mobile and internet services to Bangladesh's growing population. Bangladesh has also seen the emergence of a number of fintech companies, using technology to provide innovative financial services to consumers and businesses. Like other countries, Russia's war in Ukraine has had a significant impact on Bangladesh's economy while at the same time revealing some of the underlying vulnerabilities in the country's fiscal and financial systems. Inflation increased especially on food, fertilizer, and fuel. In response, the GoB implemented a number of measures aimed at preserving food security and retaining fiscal space, including dramatically increasing the subsidy on fertilizers and restructuring its fuel subsidy. Overall, the fallout from the Russia-Ukraine war underscored the need to reform Bangladesh's weak tax collection system, costly subsidies, and financial sector governance. USAID's activities to promote access to finance and markets, while reducing regulatory barriers, are critical to support and sustain economic growth.

Bangladesh's natural resource base is experiencing severe degradation, deforestation, encroachment, and biodiversity loss. This phenomenon is a significant concern because 64 percent of livelihoods are, directly and indirectly, dependent on the ecological system. The Bay of Bengal provides Bangladesh access to important maritime resources and trade routes. In addition to the vast economic opportunities the Bay provides through fishing, oil and gas production, and tourism and trade, Bangladesh's strategic location provides access to sea routes where its ports are well positioned to serve as gateways for trade for neighboring countries, including India and the People's Republic of China (PRC), and the broader ASEAN nations. The 2020 UN Office of Drugs and Crime World Wildlife Crime report identified Bangladesh as one of the source countries of tigers and their parts. USAID addresses looming threats to biodiversity and wildlife in its strategy, including criminalizing poaching, illegal trade and smuggling, strengthening governance and weak investigation, and increasing judicial and prosecutorial capacity.

DO2 focuses on more targeted results of economic growth activities including improving food security and market systems through strengthened agricultural approaches, private sector capacity building, private and public partnerships, and natural ecosystem management.

DO2: Sustainable Economic Growth Fostered		
IR 2.1: Food Security and Systems Improved	IR 2.2: Business Enabling Environment Improved	IR 2.3: Natural Ecosystem Management Improved
Sub-IRs Sub-IR 2.1.1: Sustainable climate-resilient agricultural production enhanced Sub-IR 2.1.2: Targeted value chains strengthened Sub-IR 2.1.3: Access to nutritious, diverse diets improved	Sub-IRs Sub-IR 2.2.1: Policies and regulations enhanced Sub-IR 2.2.2: Strategic public and private partnerships leveraged Sub-IR 2.2.3: Access to markets and economic opportunities expanded Sub-IR 2.2.4: Access to finance increased	Sub-IRs Sub-IR 2.3.1: Sustainable governance of ecosystems improved Sub-IR 2.3.2: Conservation safeguards and security strengthened Sub-IR 2.3.3: Sustainable business practices, trade and investment of natural resources enhanced

DO 2 Development Hypothesis:

If food productivity, resilient market systems, and natural resource management are strengthened with increased access to finance and engagement with private sectors, then economic growth in Bangladesh will be fostered and sustained.

IR 2.1: Food Security and Systems Improved

USAID's Feed the Future (FTF) portfolio invests in inclusive, sustainable, and climate resilient agricultural-led economic growth; strengthens resilience among people and systems; and helps to ensure a well-nourished population, especially targeting women and children. USAID also works towards strengthening overall agriculture and food systems. FTF activities are concentrated in two distinct areas: the zone of influence (ZOI), comprised of 21 coastal districts in southwestern Bangladesh, and the zone of resilience (ZOR), which includes the two districts most impacted by the Rohingya crisis. In response to the threats of growing climate impacts and disasters, USAID promotes climate-smart technologies and practices in agricultural production and supports the capacity building of farmers, market actors, and relevant GoB departments on climate smart approaches.

The USAID FTF portfolio further builds up targeted agricultural value chains by strengthening linkages between farmers and relevant market actors. In addition, USAID contributes to improving food security in Bangladesh through ensuring people's access to nutritious and diverse diets. USAID also promotes nutrition-sensitive agriculture and supports research and evidence-based innovations, especially those related to fortification and biofortification. Additionally, USAID promotes, through private and public sector engagement, increased production of animal proteins and other nutritious foods, such as fruits and vegetables. USAID continues to support resilient livelihood diversification through strengthening agri-food enterprises that enhance value-added processing and marketing.

IR 2.2: Business Enabling Environment Improved

USAID contributes to creating a business enabling environment through policy strengthening, building strategic partnerships, expanding access to economic opportunities and finances. USAID activities support GoB's efforts to strengthen and streamline policies and regulations for better compliance with international standards in the areas of trade and business processes. The activities support the GoB by

improving trade regulations and procedures, training customs officials, and developing technology platforms. The Mission also focuses on developing strategic partnerships to maximize and sustain inclusive development impacts, including leveraging private sector funds for solutions to development challenges. In addition, USAID enhances private sector capacity to provide better services to rural farmers and entrepreneurs as well as support agricultural research. USAID also seeks to reduce the transaction costs of trade and improves market access, including increased access to national and international markets for entrepreneurs. The Mission focuses on expanding access to diverse income and employment opportunities.

IR 2.3: Natural Ecosystem Management Improved

USAID advances biodiversity and habitat protection by improving NRM and strengthening environmental safeguards. Engaging citizens, civil society, and community-based organizations in cooperative management of natural resources with local governments builds trust between citizens and government and improves ecosystem health. It also strengthens individual, community, institutional, and ecosystem resilience.

Table 3. Development Objective 2 Assumptions and Risks

Assumptions	Risks
<ul style="list-style-type: none"> • GoB sustains commitment to economic reform and the Country Investment Plan. • Sustained private sector support for development-related alliances and partnerships in the areas of agriculture, NRM, and others. • GoB's continued commitment to the resilience building agenda, increasing transparent governance, natural resource protection, and food security. 	<ul style="list-style-type: none"> • GoB is unable or unwilling to move forward with its environmental, social, and economic reform agenda, including low private sector engagement. • Weak environmental and social safeguards, thus increasing the potential for further marginalization and low-standard infrastructure investment. • Rising food insecurity due to global disruptions in markets for key food crops and fertilizer due to conflict (e.g., Russia-Ukraine conflict). • Increasing natural disasters cause loss of land, lives and threaten the sustainability of economic interventions. • The graduation from LDC status will dwindle/waive Bangladesh's differential treatment to exports particularly affecting garment and pharmaceutical industries.

DO 3: Human Capital Development Advanced

Bangladesh's population is key to the country's sustained economic progress. On the brink of UMIC status, the country will require an increasingly healthy, well-nourished, and better educated population to continue its impressive development trajectory.

While health outcomes have improved, significant gaps remain. The country committed to progressing towards universal health coverage by 2030, but inequity and exorbitant out-of-pocket expenditures put that goal at risk. COVID-19 exposed numerous weaknesses in Bangladesh's health system. Rapid urbanization, climate change, and emerging infectious diseases - particularly those with pandemic potential - threaten Bangladesh's health gains.

The Ministry of Health and Family Welfare must improve its ability to provide high-quality, equitable health services to the people, including its capacity to regulate private health services and

pharmaceuticals. Bangladesh's public health system was developed to deliver curative treatment for infectious diseases. With Bangladesh's sustained development progress, an aging population will require a more sophisticated health system to address an increasing burden of noncommunicable diseases, improved flexibility to address emerging issues presented by climate change, as well as the unfinished agendas of improving maternal and child survival and combating infectious diseases. At present, both newborn and maternal mortality rates have declined slowly, and require improved service quality to see further progress. Family planning utilization and total fertility have stagnated over the past decade, and Bangladesh's tuberculosis (TB) incidence is estimated at 221 per 100,000 people - unchanged for 20 years.

Bangladesh's education system faces numerous challenges in providing access to inclusive and quality education for all, which the COVID-19 pandemic exacerbated. Despite the success in the primary education enrollment rate and narrowing gender gaps, Bangladesh still needs significant improvement in education quality and performance. The current shortcomings are caused by low teaching quality, inadequate technical and vocational training, and inadequate abilities of teachers to foster an inclusive learning environment. Youth who do not participate in education, employment, or training are a major concern as a lack of training and employment can lead to social unrest. Similarly, the absence of a 'youth voice' in policy planning and decision-making processes might increase young people's frustration. The education system of Bangladesh needs to address these crucial challenges.

DO3 describes USAID's efforts to improve Bangladesh's human capital - the people who will drive further economic development. The DO houses both the demand and supply sides of the health and education sectors. Efforts to improve supply will include strengthening the health and education systems to enable them to deliver quality, equitable services. Simultaneously, USAID will improve demand for and access to high-quality, equitable health and education services to increase health and education service utilization. USAID's activities in education are new and expanding, and the strategy focuses on delivering services and providing access to quality pre-primary to higher secondary education systems. Given the relative maturity of the health system, USAID will shift away from direct service delivery and will instead deliberately focus on interventions that will sustainably improve systems.

DO3: Human Capital Development Advanced		
IR 3.1: Inclusive Health and Education Systems Strengthened	IR 3.2: Utilization of Quality Essential Health Services Expanded	IR 3.3: Access to Quality Education Services Expanded
Sub-IRs Sub-IR 3.1.1: Policies and regulations strengthened Sub-IR 3.1.2: Institutional capacity enhanced Sub-IR 3.1.3: Evidence-based strategic decision-making improved	Sub-IRs Sub-IR 3.2.1: Equitable access to integrated health services improved Sub-IR 3.2.2: Availability of health commodities enhanced Sub-IR 3.2.3: Adoption of appropriate healthy behaviors, including nutrition, increased	Sub-IRs Sub-IR 3.3.1: Students learning outcomes improved Sub-IR 3.3.2: Safe and inclusive learning environments increased Sub-IR 3.3.3: Market-ready skills, networks, and linkages between youth and adults improved

DO 3 Development Hypothesis:

If the health and education systems of Bangladesh are strengthened, and people have increased access to equitable, quality health and education services, then the human capital development of Bangladesh will be advanced.

IR 3.1: Inclusive Health and Education Systems Strengthened

USAID strategically focuses on system strengthening of the health and education sectors in order to sustainably deliver high quality, equitable, and resilient health and education systems. Under IR 3.1, USAID advances a policy and regulatory environment that will allow the government to effectively oversee and regulate public, private and non-governmental services. USAID improves the overall capacity of public sector institutions to plan, implement, and finance health and education services. Given the frequency of climate-induced disasters in Bangladesh, USAID's efforts also improve health and education systems' resilience, enhancing the ability to expand or contract in response to various shocks and stressors. All of these efforts require a strong evidence base, and USAID continues to generate evidence to inform decision making.

IR 3.2: Utilization of Quality Essential Health Services Expanded

Specific to health, USAID expands equitable utilization of essential health services, particularly for services related to maternal health, child health, nutrition, family planning, and infectious diseases. Using data, USAID examines and identifies specific interventions to reduce equity gaps and improve inclusive access to health services. Building on a history of achievement, USAID continues efforts to improve systems for health commodity security, supporting systems that ensure quality, affordable medicines and other health commodities are available to healthcare providers and patients when and where required. USAID builds awareness among the population to ensure that people are aware of and able to adopt appropriate healthy behaviors, including seeking timely health services.

IR 3.3: Access to Quality Education Services Expanded

USAID's education portfolio expands equitable access to quality education and improves learning outcomes and marketable skills for children, youth, and young people with disabilities in hard-to-reach and marginalized areas. To achieve this, USAID supports capacity building of teachers, teacher educators, and education administrators, and develops learning materials to improve early grade learning of students at the pre-primary and primary levels. To make the learning environment more accessible and beneficial, USAID trains teachers on inclusive teaching techniques and raises awareness among parents and the broader community. To improve the quality of teaching for students in higher secondary education colleges, USAID focuses on enhancing teachers' professional excellence, developing teachers' training materials, and improving the leadership and supervision capacity of principals, vice principals, and secondary education officials. USAID empowers and supports youth; equipping them with market-demand soft skills to obtain gainful employment, actively participate in policy dialogues, and participate in decision making. USAID works to establish linkages and networks with the private sector, youth-led and youth-serving organizations, and policy makers.

Table 3. Development Objective 3 Assumptions and Risks

Assumptions	Risks
<ul style="list-style-type: none"> GoB continues to increase its governance and stewardship capacity in the health and education sectors. Restructuring within the Ministry of Health will disrupt some critical functions related to procurement and commodity distribution. Ministry of Education counterparts allow for USAID partnerships and interventions. GoB continues to commit to and prioritize equitable system strengthening in the health and education sectors. Local communities are receptive to participating in education programs. 	<ul style="list-style-type: none"> Natural or manmade disasters occur that surpass the country's ability to respond. Political turnover results in significant government staffing changes and hampers the ability to progress on critical public health policy and regulatory efforts. Outbreaks disrupt the health system by exceeding the country's health and human resources, facilities, and supply capacity. Inflation affects the country's ability to procure internationally sourced medical commodities and equipment.

DO 4: Strengthened Resilience to Climate Change and Other Shocks

Bangladesh is one of the world's most climate-vulnerable countries. Cyclones, floods, storm surges, mudslides, droughts, and earthquakes are regular events that cause loss of life, damage to infrastructure, food insecurity, and adverse impacts on livelihoods. These natural disasters are expected to worsen as climate change becomes more severe. The country is located in a seismically active and high-risk region, experiencing sporadic but heavy flooding and seasonal drought. Once every three to five years up to two-thirds of Bangladesh is inundated by floods. Floods affect a greater population base than any other natural hazard in the country. Back-to-back sequential flooding in 2017, 2019, 2020 and 2022 (the worst flood in northern Bangladesh in 100 years) prevented critical repair and reconstruction efforts. These vulnerabilities were compounded by the impacts of COVID-19 lockdowns in 2021 and the global food security crisis caused by the war in Ukraine, causing food and fuel price inflation of 47% since May 2022. This combined effect of price shocks resulted in a 3.3% increase in the poverty rate for Bangladeshis in 2022.

Bangladesh's energy sector is highly reliant on imported fossil fuels, making it vulnerable to fuel price fluctuations and supply disruptions. While alternative energy sources contribute a small fraction of the country's energy supply, the country's rapid economic growth and urbanization have driven up energy demand that can't be met through renewable resources. Fossil fuels contribute to significant carbon emissions. To address these challenges, Bangladesh needs to develop a more sustainable and secure energy market that can withstand the impacts of climate change and other shocks.

Additionally, water, sanitation, and hygiene (WASH) issues exacerbate vulnerability of the populations in climate hotspots. Poor access to safe drinking water is a particular challenge as salinity is increasing rapidly due to climate change-related saltwater intrusion. Many drinking water sources are contaminated with fecal matter, heavy metals, and other pollutants. Consumption of contaminated water leads to a high prevalence of disease, particularly diarrheal and intestinal inflammatory diseases among children under age five.

The Rohingya response began in 2017 and is now considered a protracted crisis. Almost all Rohingya refugees remain entirely dependent on humanitarian aid due to lack of livelihood opportunities and freedom of movement. Repatriation efforts are stalled because conditions are not conducive for refugee returns to Myanmar as of May 2023. There are also decreasing levels of humanitarian aid; strains on the region's economy, natural resources, and public services; and increased tensions between the host

communities and Rohingya refugees. The Government of Bangladesh began relocating Rohingya refugees to Bhasan Char in December, 2020, a flood-prone silt island, and they plan to relocate more – up to a total of 100,000 refugees. However, the island cannot realistically maintain that population with the current infrastructure available. As of February 2023, the total Rohingya population in Cox’s Bazar is more than 957,971 and 29,458 on Bhasan Char. Donor resources have become increasingly constrained to support the Rohingya response as conflicts, famine and disasters strike elsewhere in the world. The GoB, meanwhile, has steadfastly refused to allow the Rohingya livelihood opportunities that would enable donors to reduce beneficiary rolls and control costs. Similarly, GoB resists calls to allow donors to use more sustainable shelter materials and to consider development solutions including multi-year programming and funding that would help to alleviate humanitarian assistance funding pressures. This influx has created significant new demands and vulnerabilities in Cox’s Bazar District and the Chattogram region with the rise of climate migration. In addition to the immense life-sustaining needs among nearly a million Rohingya refugees, the camps have fundamentally changed the area’s topography, exacerbated its vulnerability to natural disasters, disrupted access to productive land, and distorted the local markets for labor and goods in host and impacted communities. The combined impact of the massive refugee influx, increasingly frequent and more severe natural disasters, and the global food security crisis have eroded disaster response preparedness and magnified protection risks and food insecurity in Bangladesh.

DO4 contributes to strengthening the resilience of the people of Bangladesh in the face of climate change and other shocks through improved food and livelihoods security, nutrition and health, and disaster risk reduction for vulnerable people in disaster-prone areas. DO4 contains a multi-pronged approach to enhance the capacity of people to better tackle climate change and more effectively manage disasters. USAID will enhance national and local disaster management capacity through vertical integration of community-based and national-level disaster risk reduction initiatives. It will also work to improve the structural resilience of settlements and shelters to floods and cyclones and is training community volunteers in disaster early action and response. This DO also addresses the Mission’s response to the needs of the Rohingya refugees and host communities impacted by the Rohingya influx. USAID will continue to provide life-sustaining food and nutrition assistance to refugees while delivering multi-sector support to host and other impacted communities. Further, the Mission makes an intentional effort to be proactive to the protracted Rohingya crisis, which includes collaborating closely with the Bureau of Humanitarian Assistance (BHA) for a unified strategy consistent with USAID Policy Framework.

DO4: Strengthened Resilience to Climate Change and Other Shocks		
IR 4.1: Actions to Confront the Climate Change Crisis Catalyzed	IR 4.2: Disaster Risk Management Strengthened	IR 4.3: Opportunities for Rohingya and Host Community Enhanced
Sub-IRs Sub-IR 4.1.1: Adaptive capacity to climate change enhanced Sub-IR 4.1.2: Sustainable and secure clean energy markets established Sub-IR 4.1.3: Access to safe water and sanitation increased	Sub-IRs Sub-IR 4.2.1: Disaster preparedness enhanced Sub-IR 4.2.2: Disaster response and recovery systems strengthened	Sub-IRs Sub-IR 4.3.1: Food security and nutrition improved Sub-IR 4.3.2: Sustainability of the Rohingya response enhanced

DO 4 Development Hypothesis:

If diverse stakeholders take action to address the impacts of climate change and other shocks and stresses and if opportunities are increased for the host communities and Rohingya populations and other climate change and disaster-affected communities, then Bangladesh's resilience will be strengthened.

IR 4.1: Actions to Confront the Climate Change Crisis Catalyzed

USAID enhances the adaptation and mitigation capacity of people and institutions to confront the climate change crisis and other disasters. The Mission portfolio helps vulnerable populations prepare for, respond to, and recover from shocks and stresses. Initiatives to enhance adaptation capacity include introducing alternative livelihood approaches in climate-vulnerable regions and expanding usage of climate smart agriculture. USAID aims to catalyze long-term systemic shifts in Bangladesh's economy, institutions, and governance structures by enabling policy development, facilitating technology transfer, bolstering climate research, and scaling climate actions.

USAID activities contribute to climate mitigation through clean energy initiatives. USAID supports the GoB in their ongoing efforts to transition from fossil fuel-based energy to clean energy, which in turn will support the GoB to achieve its Nationally Determined Contributions targets of becoming a low carbon and climate resilient economy. These efforts also contribute to the U.S. Government's Indo-Pacific Strategy Clean EDGE (Enhancing Development and Growth through Energy) Asia goal of accelerating energy sector transition to clean energy in the Indo-Pacific region.

USAID improves access to and utilization of safe drinking water and improved sanitation and hygiene products, services, and facilities in hard to reach climate hotspots. USAID leverages public and private investments for sustainable WASH service delivery, with a special emphasis on women and adolescent girls. USAID investments enhance WASH innovation, improve WASH sector governance, and catalyze the development of new WASH products, services, and facilities. USAID also collaborates with and advocates for improving WASH infrastructure in urban and rural areas. The Mission's WASH interventions are especially needed among the Rohingya and host community populations due to the Rohingya crisis' strain on local resources.

IR 4.2: Disaster Risk Management Strengthened

USAID's humanitarian assistance contributes to increasing the Disaster Risk Reduction (DRR) capacity of national- and district-level government actors and vulnerable communities to help them prepare for, respond to, and recover from natural disasters. USAID aligns with the GoB's DRR strategy and promotes a holistic DRR approach that strengthens local disaster management committees' leadership. These efforts also increase collaboration and promote the achievement of collective outcomes by linking local interventions with national preparedness and response efforts. With USAID's long and extensive experience in the most disaster-prone areas of Bangladesh, USAID continues to provide technical advice to strengthen the relief-to-development transition. This strategy helps prevent climate-related disasters from disproportionately impacting vulnerable communities, mitigating the need to respond to recurrent natural disasters in the same locations.

USAID support improves community and household resilience in areas with increasing frequency and severity of disasters due to climate change—both rural and urban—through inclusive, localized, multi-sectoral, and community-based disaster risk management initiatives.

These initiatives aim to:

- Enhance early warning systems and community engagement;
- Support and train national and local actors and organizations;
- Respond to diverse acute needs among affected populations through multipurpose cash assistance or leveraging resources from the Mission's development programs to strengthen resilience;
- Provide cash-for-work to enhance disaster resilience by improving settlements and other infrastructure including shelters; and
- Install improved, resilient WASH systems for disaster-affected communities.

All DRR activities are closely coordinated across the Mission's portfolio, including new and ongoing climate crisis initiatives and resilience activities. USAID ensures sustainability by institutionalizing its DRR programs and transitioning them to host country stakeholders.

IR 4.3: Opportunities for Rohingya and Host Community Enhanced

DO 4 also includes programming aimed to enhance opportunities for the Rohingya and host communities by embracing the approach of the humanitarian, development, and peace nexus. The Rohingya situation is a prolonged crisis that is likely to exceed the CDCS period and requires long-term strategic planning with coordinated international investments.

The Mission supports Rohingya refugees and host communities directly impacted by the Rohingya crisis. In line with the Joint Response Plan's strategic and sector priorities and USAID's Bureau for Humanitarian Assistance (BHA) mandate to provide food and nutrition assistance to refugee populations, USAID will continue to provide essential food assistance through an e-voucher system to Rohingya refugees in Cox's Bazar and Bhasan Char. To improve the nutritional status of women and children living in refugee camps, USAID will provide specialized nutrition products, complementary nutritional services, and prevent and treat acute malnutrition. In the host communities, USAID will prioritize increased agricultural production with a focus on nutritious food, strengthen value chains and market linkages for producers, and support household-level food security and nutrition. USAID also continues protection programming aimed at preventing and responding to gender-based violence and protection risks linked to the refugee influx. In this regard, USAID encourages protection-response livelihood work that supports the actual livelihood needs of the community. Given the multifaceted nature of the challenges facing the host communities, USAID will undertake economic growth and livelihood development interventions; natural resources management; water, sanitation and hygiene (WASH), with an emphasis on access to clean drinking water; and disaster risk reduction. USAID will follow an integrated approach and will closely coordinate with other interventions in the area to maximize impact.

To address the long-term and emerging needs of both the Rohingya and host and impacted communities, USAID adopts the humanitarian, development and peace nexus to promote systemic collaboration with the GoB, donors, development and humanitarian assistance partners, CSOs, and non-governmental organizations. This coordination in programming will lead to improved humanitarian and development assistance that is better planned, funded, and delivered. Collaboration among stakeholders is essential to achieving efficient use of resources and sustainability of the Rohingya response.

Table 3. Development Objective 4 Assumptions and Risks

Assumptions	Risks
<ul style="list-style-type: none"> • Bangladesh maintains its capacities to mitigate the impacts of mega shocks and stresses and associated disasters. • The GoB remains committed to tackle the multidimensional impacts of climate change. • Communities have ownership of programs and interventions to combat climate change impacts. • Bangladesh does not experience a further mass influx of refugees from bordering countries. • International communities, donors and development agencies continue to provide support to the host communities and Rohingyas. • Peace, stability, and social cohesion prevail in the targeted regions. • Host communities continue to support integrated humanitarian assistance for Rohingyas. 	<ul style="list-style-type: none"> • GoB-imposed restrictions, natural disasters, or deterioration in security situations impede development and humanitarian programs. • A disease outbreak impedes USAID's ability to implement programs. • Projected climate change impacts occur faster than anticipated, interfering with resilience building programs. • Continued worsening conditions for the Rohingya refugees, inflexible GoB livelihood and sustainability policies and/or forced/involuntary returns raise human rights concerns and further strain donor resources. • An additional influx of Rohingyas puts strains on resources that exceed Bangladesh's capacities to support the affected population. • Conflict between the host and Rohingya communities escalates and disrupts ongoing programs.

MONITORING, EVALUATION AND LEARNING

USAID/Bangladesh's approach to monitoring, evaluation and learning (MEL) in this CDCS is grounded in principles of evidence-based decision-making and adaptive management. USAID builds on its robust performance monitoring system; integrates digital tools; strengthens implementing partner capacity for data collection, analysis, reporting and performance management system; conducts high-quality performance and impact evaluations, assessments; and analyzes data from multiple sources using diverse instruments to build the evidence base, and support learning and adaptive management. USAID also supports MEL through use of the Geographic Information Systems, digital data analytics and performance management tools to learn about and make real-time program adjustments. USAID MEL strategy plays a key role in integrating programming across the program cycle and provides operational guidance to translate integration into practice. USAID embraces the inclusive development principle and integrates gender, youth, and people with disabilities into its MEL systems including the Performance Management Plan (PMP), Activity MEL plans, and evaluation designs, as indicated in the Mission MEL mission order.

Learning Priority Questions include:

- Is USAID/Bangladesh achieving its intended results envisioned in its strategy? If yes, what is enabling this? What is hindering the achievement of results?
- How are shifts in context in Bangladesh, the region, or in the relationship between the United States and Bangladesh related to program areas affecting USAID's work? How should USAID/Bangladesh respond to these shifts?
- To what extent was progress made on gender equality as a result of programming? Are youth and women getting equitable benefits as a result of USAID programming and are we targeting them on a priority basis and enough in our interventions?

The Mission focuses on the following key learning priorities:

- Inclusive Development: How can USAID ensure that its programming is inclusive and benefits all segments of society, including marginalized populations, such as women, Rohingya population and the host community and youth?
- Localization: How can USAID ensure local partners are increasing their capacity, technical know-how and incentive to partner with USAID in the future?
- Climate Change: What improvements can USAID make to its climate change and resilience programming to ensure their sustainability and impact?
- Private Sector Engagement: How can USAID ensure institutional capacity is strengthened for stronger service delivery?
- Integration: While implementing the strategy, what are the key lessons learned in terms of promoting coordination and collaboration across technical teams and sectors?
- Anticipating and mitigating the secondary impacts of COVID-19: What policy measures and interventions can USAID help institute to address secondary COVID-19 impacts and ensure a more equitable and inclusive recovery from the pandemic?

The Mission uses learning events including pause and reflect sessions to answer and update learning questions. Mission evaluation and assessments also help inform answers to the PMP learning questions and provide data to make shifts and updates to this strategy. The Mission MEL Working Group (WG) updates and implements the Mission PMP. The MEL WG refines and updates the learning questions and outlines efforts to generate data and information to respond to learning questions during periodic pause and reflect moments.

MEL Platform

The development context in Bangladesh requires flexible MEL practices. The ability to engage across the technical and support offices of USAID/Bangladesh, including implementing partners and other stakeholders, is critical in meeting development assistance requirements. Therefore, the Mission designs and implements an overarching MEL Platform that works as a 'one stop shop' for all technical and support offices to receive a wide range of MEL related services. This central platform improves core MEL functions for the Mission, and expands the level of MEL support services for achieving development objectives of the CDCS. The platform includes new areas of support (e.g., analytical and capacity building at different levels) while retaining strong core MEL capabilities. The MEL Platform consolidates the majority of these services to reduce the management burden and bring these services in line with relevant ADS policy. More broadly, the platform continues to strengthen Mission MEL by standardizing and harmonizing sound procedures; aligning, scheduling, and strengthening evaluations; and supporting comprehensive performance monitoring through effective and efficient reporting systems, consistent training, and improved communication. The MEL Platform utilizes local evaluation expertise, enabling local practitioners to work with international experts and improve in-country MEL capacity.

PROGRAM BUDGET RESOURCES AND PRIORITIES

USAID/Bangladesh's budget scenario is based on funding realities over the previous three years. The scenario includes an annual average of USD 32.8 million allocated to DRG; USD 82 million to EG, including USD 47 million for agriculture; USD 83 million USD for Health; USD 12.9 million for Education and Social Services; USD3.6 million for Peace and Security; and USD 3.7 million USD for Humanitarian Assistance. The budget allocation reflects increased funding levels for the EG and Health portfolios between years four to seven. The increased funding levels for EG includes Climate Change programming in Adaptation, Clean Energy, and Sustainable Landscapes. This increased Climate Change funds will enable the mission to achieve the objectives of improving climate resiliency through integrated climate

change activities. The increase in Clean Energy funds will also enable the mission to improve energy security and resilience by increasing access to affordable, reliable, alternative and sustainable energy options, and supporting transparent and efficient energy markets in support of the IPS. The increased Health funds will enable the mission to undertake a system strengthening approach to combat the national TB, which remains one of the major public health threats, and strengthen multi-sectoral systems to prevent, detect, and respond to infectious disease outbreaks of animal and human origin.

As part of the mid-course stocktaking exercise, USAID/Bangladesh revised the visionary budget originally set out in 2020 and updated to reflect actual levels that Mission received in years one through three and requested levels for years four through seven. Moving forward, the Mission expects consistent funding levels comprising a total of USD 1.1 billion for the five years comprising the CDCS. The Mission will continue to expand its pioneering work with local and underutilized partners and leverage resources for programming. In year three of the budget scenario, Mission dedicated 18 percent of its funds for awards to local organizations to build their capacity and increase the Mission's local partner base. The Mission aims to dedicate approximately 30 percent of the annual budget to local partners.

MANAGEMENT RESOURCES AND STRUCTURE

USAID/Bangladesh currently has 190 approved positions, including 40 Foreign Service Officers, 137 Foreign Service Nationals and 13 USPSCs. The Mission will utilize its activity design processes, and subsequent implementation and management of those activities, to operationalize the strategy. The Mission established an Integration Working Group (IWG) tasked to serve as an advisory body to enhance co-funding, co-location, coordination and coordination opportunities across the Mission to implement CDCS in an integrated way. The structure and function of the IWG is delineated through a Mission Order and members will be drawn from existing technical and support offices. DO teams will complement not replace the existing office structures. In addition, work objectives and staff performance review criteria endeavor to reflect the Mission's integrated business model, helping to drive greater levels of collaboration, accountability, and development impact within the current management and reporting structure (technical and support offices) and overall staffing level, reinforced with the reallocation of some of the positions within the current envelope as required by resource level shifts.

With an increased emphasis on cross-sectoral integration and results, crosscutting teams with expertise drawn from across the Mission will manage and be held accountable for the achievement of DO level results. For example, the PSE working group, chaired by the Deputy Mission Director, with points of contact from each office, serves as a model platform for building cross-sectoral collaboration and ensuring that PSE is a foundational programming modality to support Bangladesh's development.

CDCS Goal Statement:

Bangladesh is a More Inclusive, Democratic, Prosperous, and Resilient Indo-Pacific partner

